

Legislation provides tax incentives and credits for our nation's businesses and families, bolsters our energy security — Washington, DC - Today, Congressman Joe Sestak (PA – 07) voted in support of H.R. 6049, the Renewable Energy and Job Creation Act of 2008 which will provide almost \$20 billion of tax incentives for investment in renewable energy, carbon capture and sequestration demonstration projects, energy efficiency and conservation. The bill also extends expiring temporary tax provisions, including the research and development credit, special rules for active financing income, the State and local sales tax deduction, the deduction for out-of-pocket expenses for teachers, and the deduction for qualified tuition expenses. In addition, the bill provides almost \$10 billion of additional tax relief for individuals through an expansion of the refundable child tax credit and a new standard deduction for property taxes. The measure passed by 263-160.

“In a time of economic uncertainty, the Renewable Energy and Job Creation Act provides critical tax incentives to America's businesses and working- and middle-class families,” said Congressman Sestak. “This is accomplished via a responsible, pay-as-you-go plan, and bolsters both our economic and our energy security.”

The costs of the bill would be offset by closing a tax loophole that allows individuals that work for certain offshore corporations, such as hedge fund managers, to defer tax on their compensation and would delay the effective date of a tax benefit that has not yet taken effect for multinational corporations operating overseas.

Specifically, this legislation addresses:

### Renewable Energy Incentives

Long-term extension and modification of renewable energy production tax credit. The bill extends the placed-in-service date for wind facilities for one year (through December 31, 2009). The bill would also extend the placed-in-service date for three years (through December 31, 2011) for certain other qualifying facilities: closed-loop biomass; open-loop biomass; geothermal; small irrigation; hydropower; landfill gas; and trash combustion facilities.

Long-term extension and modification of solar energy and fuel cell investment tax credit. The bill extends the 30% investment tax credit for solar energy property and qualified fuel cell property and the 10% investment tax credit for microturbines for six years (through the end of 2014).

Long-term extension and modification of the residential energy-efficient property credit. The bill would extend the credit for residential solar property for six years (through the end of 2014). The bill would also increase the annual credit cap (currently capped at \$2,000) to \$4,000. The bill would include residential small wind equipment and geothermal heat pumps as property qualifying for this credit. The bill also allows the credit to be used to offset alternative minimum tax (AMT).

New Clean Renewable Energy Bonds ("CREBs"). The bill authorizes \$2 billion of new clean renewable energy bonds to finance facilities that generate electricity from the following resources: wind; closed-loop biomass; open-loop biomass; geothermal; small irrigation; hydropower; landfill gas; marine renewable; and trash combustion facilities.

### Carbon Mitigation Provisions

Carbon capture and sequestration (CCS) demonstration projects. The bill would provide \$1.5 billion of tax credits for the creation of advanced coal electricity projects and certain coal gasification projects that demonstrate the greatest potential for carbon capture and sequestration (CCS) technology.

Refund of certain coal excise taxes unconstitutionally collected from exporters. The Courts have determined that the Export Clause of the U.S. Constitution prevents the imposition of the coal excise tax on exported coal and, therefore, taxes collected on such exported coal are subject to a claim for refund. The bill would create a new procedure under which certain coal producers and exporters may claim a refund of these excise taxes that were imposed on coal exported from the United States.

Solvency for the Black Lung Disability Trust Fund. The bill would enact the President's proposal to bring the Black Lung Disability Trust Fund out of debt.

Carbon audit of the tax code. The bill directs the Secretary of the Treasury to request that the National Academy of Sciences undertake a comprehensive review of the tax code to identify the types of specific tax provisions that have the largest effects on carbon and other greenhouse gas emissions and to estimate the magnitude of those effects.

#### Transportation and Domestic Security

Extension of biodiesel production tax credit; extension and modification of renewable diesel tax credit. The bill extends for one year (through December 31, 2009) the \$1.00 per gallon production tax credits for biodiesel and the small biodiesel producer credit of 10 cents per gallon.